



ARTIFEX FOLIOS: INVESTMENT MANAGEMENT SERVICES

ARTIFEX EQUITY INCOME MODEL

FOLIO DESCRIPTION

OBJECTIVE

The strategy seeks long-term growth and income.

DESCRIPTION

The Equity Income Model invests in stocks of companies that pay a sustainable dividend rate in excess of the average yield of Standard & Poor's 500 Index.

LEADING COMPANIES

The Model invests only in leading stocks in the Standard & Poor's 500 Index with above average yields.

COMPETITIVE ADVANTAGES

- ▶ **A core holding.** The Equity Income Model is designed to be a core holding for clients interested in growth over time, with some current income.
- ▶ **Low turnover.** The Model actively invests for the long term: the typical holding period of a stock is generally one to five years.
- ▶ **Disciplined stock selection.** Management takes the emotion out of investing - only 10% of stocks in its eligible universe—the best of the best—with above average dividend rates, are eligible to be in the portfolio.

PORTFOLIO MANAGER

Doug Kinsey, Chief Investment Officer, (Industry since 1988)
CFP®, AIFA®, CDFA®, BA, Ohio State University

ABOUT ARTIFEX

Artifex Financial Group, founded in 2007 by Doug Kinsey and Darren Harp, advises individuals, households, corporate pension plans, and investment management firms. Artifex also provides back office solutions, process improvement strategies, and employee development consulting for financial advisory firms. Our main goal is to help grow and protect your assets. Our philosophy is to empower clients to be true investors by providing thoroughly researched, common sense portfolios for the long-run. We believe in protecting net worth from permanent impairment and in growing assets in a prudent manner.

Performance statistics represent historical data as compiled by Folio Institutional and StatPro. Performance does not reflect trading in actual accounts, does not include the costs of commissions, and does not account for taxes. Results are calculated without fees; typical management fees start at 1.25% per year for retail clients. Individual and advisor client fee structures are individually negotiated. Past performance is no guarantee of future results. Investment returns and principal values will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. All returns assume reinvestment of dividend and capital gain distributions. Current performance may be lower or higher. **The S&P 500 Total Return Index (with dividends) is a widely used barometer of U.S. stock market performance. It is an unmanaged market-weighted index of leading companies in leading industries, dominated by large-capitalization firms.

Artifex Folio Fact Sheets are published quarterly. Please contact us for additional performance data.

FOLIO FACTS

Inception Date	4/22/2009
Net Assets	\$9,447,644
Minimum Investment	\$50,000
Number of Holdings	25
Dividend Yield	4.18%

AVERAGE ANNUAL TOTAL RETURNS

AS OF 12/31/13

Period	AFG Model	S&P 500 Index**
1 Year	26.51%	32.33%
3 Years	16.43	16.19
Inception*	22.70	20.49

CUMULATIVE TOTAL RETURNS

AS OF 12/31/13

Period	AFG Model	S&P 500 Index**
3 Years	57.81%	56.82%
Inception*	161.17	139.82

YEAR-BY-YEAR RETURNS

AS OF 12/31/13

Period	AFG Model	S&P 500 Index**
2013	26.51%	32.39%
2012	7.46	16.00
2011	16.08	2.11
2010	18.50	15.06
2009*	34.35	29.70

GROWTH OF \$100,000 VS S&P 500 INDEX

SINCE INCEPTION THROUGH 12/31/13

AFG Model	S&P 500 Index**
\$261,170	\$239,820

*4/22/2009



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ARTIFEX EQUITY INCOME MODEL

MARKET CAPITALIZATION

AVERAGE MARKET CAP: \$XX BILLION

Size	Market Size	Percent
Mega Cap	\$100 Billion+	16.19%
Large Cap	\$10 – 100 Billion	64.30
Mid Cap	\$2 – 10 Billion	5.48
Small Cap	\$300 Million – 2 Billion	11.10
Micro Cap	\$50 – 300 Million	0.04

TOP 10 HOLDINGS

AS OF 12/31/13

Symbol	Holding	Percent
VOD	Vodafone Group Plc	5.08%
SYW	Safeway Inc.	4.89
CCC	United Technologies	4.57
PNC	PNC Financial Services Group	4.49
GE	General Electric Company	4.38
CAT	Caterpillar Inc.	4.33
COP	ConocoPhillips	4.20
PDL	PDL BioPharma Inc.	4.10
JNJ	Johnson & Johnson	4.09
DMLP	Dorchester Minerals	4.08

ARTIFEX PORTFOLIO MODELS

GROWTH & INCOME

Dividend Growth Model
Equity Income Model
Prudent High Yield Model
Prudent Value Equity Model

INCOME

Laddered Bond Model
Core Fixed Income Model
Core Municipal Income Model

GROWTH

Alternative/Hedge Portfolio Model
Large Cap Core Equities Model
Return on Equity Model

AGGRESSIVE GROWTH

Cloud 9 Model
Hedge Fund Advisors Small Cap Model

PORTFOLIO STATISTICS

AS OF 12/31/13

	AFG Model
Alpha	6.25
Beta	0.76
Bear Market Capture Ratio	0.52
Bull Market Capture Ratio	0.87
Correlation	0.84
Price Earnings Ratio	12.81
Sharpe Ratio	1.78
Standard Deviation	12.23%

MARKET SECTORS

AS OF 12/31/13

	AFG Model
Consumer Discretionary	14.49%
Consumer Staples	24.43
Energy	19.13
Financials	4.84
Health Care	4.78
Industrials	14.30
Information Technology	4.75
Telecommunication Services	4.76
Utilities	4.76
Other	9.49

FOR MORE INFORMATION

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Investors should consider the investment objectives, risks, charges and expenses of the strategy carefully before investing. Aggressive growth stocks may be more susceptible to earnings disappointments, and the market may not favor aggressive growth-style investing. Investments in small and/or midsize companies increase the risk of greater price fluctuations. Stock prices may fall or fail to rise over time for several reasons, including general financial market conditions and factors related to a specific issuer or industry. Investors can lose money by investing in the strategy. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio. The Model may be subject to greater price volatility than less concentrated portfolios. Allocations and holdings will vary over time.

Alpha is a measure of the portfolio's risk-adjusted performance. When compared to the portfolio's beta, a positive alpha indicates better than expected performance. A negative alpha indicates a worse than expected performance. Beta measures the fund's sensitivity to market movements; beta greater than 1 is more volatile than the market; beta less than 1 is less volatile than the market. Bear market capture ratio is a measure of performance in down markets; for example, a ratio of 0.80 indicates a decline of only 80% as much as the benchmark index. Bull market capture ratio is a measure of performance in up markets; a ratio of 1.20 indicates an increase of 20% more than the index. Correlation is a statistical measure of how two securities move in relation to each other. Perfect positive correlation (a correlation co-efficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Sharpe Ratio uses standard deviation to measure a portfolio's risk-adjusted returns. The higher a portfolio's Sharpe Ratio, the better the portfolio's returns have been relative to the risk it has taken. Standard Deviation measures the volatility of the fund's returns. Higher deviation represents higher volatility. Sharpe Ratio uses a fund's standard deviation and its excess return (difference between the fund's return and the risk-free return of 90-day Treasury Bills) to determine reward per unit of risk. This fact sheet was prepared exclusively for the benefit and use of those persons to whom it is presented in order to indicate the feasibility of a possible investment and does not carry any right of publication, disclosure or use to any other person.